9/2188 SGG15-2

AUGUST 1988

OREGON LABOR TRENDS

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
July	1988	5.9
June	1988	6.3
July	1987	5.8
U.S.		
July	1988	5.4
June	1988	5.3
July	1987	6.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100	
July	1988	121.4
June	1988	120.6
May	1988	120.6
Apr.	1988	120.6
Mar.	1988	120.8

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
June	1988	$10.69
May	1988	$10.75
June	1987	$10.51

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
June	1988	39.3
May	1988	38.6
June	1987	39.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
U.S.	
July 1988	118.5
Yearly change	4.1%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

OREGON AND THE GREAT ENTERTAINMENT DROUGHT OF '88

Duane Ackerson

"Ah, sweet mystery of life at last I've found you..."

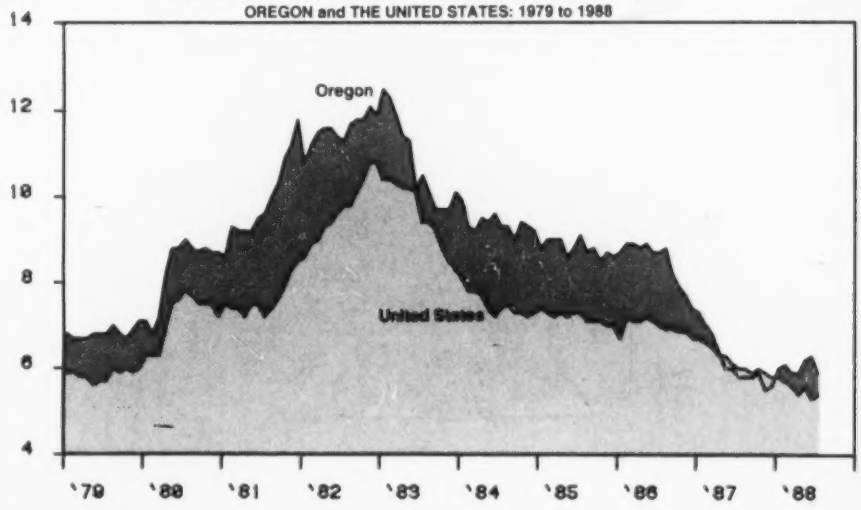
(from a Victor Herbert song, copyright expired)

In July, Oregon saw its seasonally adjusted unemployment rate fall by four-tenths of a point from 6.3 to 5.9 percent. The wage and salary employment index went up by eight-tenths of a point, the largest increase since the start of the year. Still, during a time bracketed by two strong positive indicators 4,900 Oregonians, including nurses at Kaiser and paperworkers at Smurfit, were involved in labor disputes. Perhaps this group can take heart, however, from the fact that the Hollywood screenwriters, after a five month strike, have settled. With the new television season less than two months away, these West Coast writers and their employers, the movie studios and television networks, reached agreement over what price tag to put on their art. Four to eight weeks will pass before most shows can even go into production. It's possible many new shows may appear about the same time as the Thanksgiving turkeys.

Art in America has estimated the value of yearly art sales in New York City at $850 million; however, entertainment and the arts take a large bite out of people's wallets in other places than the lands of the Big Sleep and the Big Apple. In a story in the August 10 Salem *Statesman-Journal*, Ron Cowan reports that the 1988 Art Fair in Salem produced total sales of $404,040. Since these sales generate $128,800 in income for the sponsoring Salem Art Association, money used in turn to finance non-profit activities, we can get some idea of the ripple effect of such events on an area. Though the association operates on a non-profit basis, the classes and exhibits it sponsors generate income for the artists who participate.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

Meanwhile, back to the O.K. TV Corral, where the shows are lowing fretfully, large price tags attached to their horns, waiting to be driven to market along the Old Scriptwriters' Trail. The recent dispute may well have triggered the Great Entertainment Drought of '88, to be felt in Oregon for as long as the other, current drought. This event suggests a topic infrequently discussed on these pages, despite the interest of the Oregon Economic Development Department in encouraging filmmaking in Oregon: the effect of the arts and entertainment industries on the economy of our State.

Before the recent settlement, the studios announced plans to eliminate the need for intelligent, or even unintelligent, writing; these included reviving old series by reshooting tried-and-true episodes with new casts, and remaking British shows with American actors. In the meantime, of course, there is the rerun. In the months while the entertainment folks try to pick up the ball and run again, it may appear in even hoarier guise than usual, looking more like the Ancient Mariner than several year old episodes of *MASH*. Viewers exposed to shows from the years predating their birth may develop a new appreciation of kinescope, with purists in years to come after the Great Entertainment Drought holding out for the superiority, the "grittiness," of early television filming over later videotape, as the present opponents of "colorization" seek to protect the purity of black and white.

Let's consider the impact on Oregon of the delay in the fall season. Extra pressure will be exerted on anyone else striking at the time to settle as soon as possible when faced with the prospect of weeks of *Gilligan's Island* with a new cast(aways). Though the networks have assured us they won't remake the "classics," who knows what desperation could do to people who have already brought us *The Gong Show*, and, however briefly, *My Mother The Car*? To continue: marriages on the brink could, during this period of tv and climatic drought, go over, taking legal business out of the State to the possible benefit of Nevada; bickering couples, desperate for something new in their lives, may seek out a Reno divorce if only to sample some live entertainment. We can expect video rental stores in the next few months to see land-office business. The cable franchises should also do well; more and more viewers may be weaned away to Showtime, HBO, and the Disney channels, and possibly even to the all weather and all health channels. All of which will benefit pizza parlors that deliver, take-and-bake pasta stores, and grocery stores wise enough, like most have been, to install delis. Ultimately, of course, the greatest beneficiaries a few months later will be health clubs and vendors of high protein diets. Some more farsighted tv viewers will bypass the video stores, cable franchises and delis, however, and go directly to the health spa without passing home (or the pizza palace). Movie theatres may also benefit, provided they have air conditioning. Summer movie releases, regardless of reviews and entertainment value, may turn out to be not only summer, but fall bonanzas as well, given the reduced competition. And since the arts and entertainment tend to be very labor intensive, the community merchants in general should benefit, with more people attending movies, live theatre, live concerts, live fashion shows, and even possibly, as desperation grows, queuing up for home and garden shows and vegematic demonstrations at state fairs. People may even go to libraries more, and buy more cars and bicycles to put more distance between themselves and the tv set.

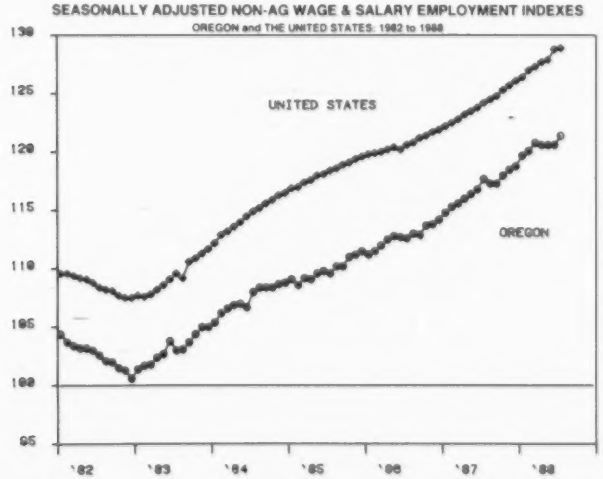
The economic value of the arts and entertainment is often undervalued.

The economic value of the arts and entertainment is often undervalued because no concrete, durable good is produced, or even a nondurable one like a hot dog. Still, a playgoer who has just "consumed" a play such as *Death of a Salesman* has something that will stay with him or her much longer than the caloric input of that weiner. An interesting aspect of an arts event, viewed from an economic perpective, is the relative impurity of the event. This is not "impurity" in the sense that Oliver Cromwell's government in 17th century England defined it, when it banned theatre altogether. Instead, what's implied here by "impurity" is the way in which many arts events are mixed media affairs, drawing not only on various forms of expression but on large dollops of commerce. Along with ticket sales, play performances also generate income from things like parking lots, refreshments sold at intermission, and the sale of food and beverages at various places near the performance. Babysitters are hired, boyfriends expend gasoline getting over to help the sitters sit, refrigerators are emptied, families return to the grocery store sooner than anticipated to restock the larder. Back at the theatre, people may purchase souvenirs such as audiotapes and sweatshirts in the lobby. Some playgoers may also buy paperback editions of the play at bookstores.

Much the same things, only perhaps more so, hold true for arts festivals like the Salem Art Fair or Portland Artquake, the latter of which, in particular, coordinates many of its events with local merchants. Today, as in Elizabethan times, the arts and commerce are frequently intertwined. Like today's tv writers, Shakespeare wrote for a mass audience, including enough physical action to hold his audience's attention for the flights into poetry. Produce vendors plied their wares through the aisles of the theatres then, just as vendors ply theirs in the lobby between acts, or less subtly during the commercial breaks between acts of a tv drama.

Other forms of entertainment may benefit from the tv drought. Those Oregon residents who are not total couch potatoes (this summer, "french fried" might be more apt) will probably

SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and THE UNITED STATES: 1982 to 1988



also use the parks and eat out in greater numbers; the long tv drought should prove a boon to late summer and early fall tourism and recreation. In fact, tourism just had an exceptionally strong month in July; record employment levels were set by eating and drinking places, hotels and motels, and amusement and recreation businesses.

Comparatively long-term choices, triggered by the recent screenwriters' strike, may also result. In fact, before long we may see the demise, or at least the diluted influence, of network television. The present situation, from an historical perspective, resembles the prolonged ASCAP (American Society of Composers, Authors, and Publishers) dispute with the radio networks in the early 1940's. This resulted in the birth of Broadcast Music International and the loss of the songwriter as popular artist in favor of the songwriter either as part of an industry, studio and special-effect oriented, lowest common denominator based, or as alienated rebel within this scene. This time, though, the conglomerate may lose out. Networks need to reach as large an audience as possible. With the various cable networks luring off special audiences to all news, all health, and all advertising stations, they need to do so even more than in the past. However, that "mass" audience itself, or what's left of it, is aware of the other entertainment options, and less easily seduced. These other options, thanks to the long strike and its effect in the coming months, may grow even stronger. The networks may have difficulty regaining their pace, even after they can develop a season in the coming year. Quality will suffer, and the independents will benefit from the networks' loss.

Money spent on the arts and entertainment will stay more in the State.

The breakup of the Hollywood studio system by the fifties scattered U.S. filmmaking around the world. Since then, "independents" shoot scripts by sending crews where the cost of extras, studio space, or taxes are lower. Now, thanks to the new video technology and computer-assisted animation, it's easier for more video and filmmaking, whether special effects or films in toto, to go where the talent is. A screenwriter could live almost as readily in the Hollywood district of Portland as in the better known Hollywood, and telecommunicate or mail a floppy disk of a script to wherever the film is being produced. Entertainment and the arts in this country, and in the State, are becoming more decentralized; the network writers' strike is just one event that may impact on this process. Theatre, too, has moved in recent years from a Broadway to a regional focus. The effect of this process: money spent for arts and entertainment in Oregon, and elsewhere, will tend to stay more in the individual community and state, generating additional multiplier effects thanks to the labor intensive nature of the industries most likely to benefit. The artist with something fresh to say may also have greater access to the means to say it, too.

One thing that can be copied, but never duplicated, is the live performance.

This decentralization may be fairly gradual, and may not bring about exactly a renaissance in the arts or the economy in Oregon, but it may at least have positive impact, not just in the uncertain year the networks face, but well into the future. In Portland, Will Vinton's Claymation studio is one example of this decentralization, with animated films not only being shot in whole or part in this State, but totally created in Oregon. Vinton has enjoyed both artistic and commercial success, with Oscars for short films, popular commercials (The California Raisins), and a recent television special to his credit. Other evidence of this trend: the announced plans (Aug. 10 *Daily Journal of Commerce*) of Oregon Film Partners to build an $8 million film studio in St. Johns in 1989.

One aspect of the new video and computer technology is both exciting and disturbing: the matter of duplication. Since the development of the reel-to-reel tape recorder in the 1940's, the ease with which artists' performances can be duplicated without royalty payment has increased. This process continued through cartridges, audio cassettes, and videotape. Erasable compact audio or video disks on which vast amounts of data, text, or performances can be stored may be next. Such compact disks could increase the "time shifting" advantages of videotape and VCR's many fold. One future scenario might involve someone, armed with a home video compact disk recorder, recording an entire tv season for future use. Later, he might browse through recorded shows much like library books, deciding which shows/episodes to view. Obviously, having a great many viewers exercise this much selectivity defeats the intent of advertisers, which is to encourage viewers to consume now, not after returning from a two year Peace Corps stint in Gabon to see what's happened in the world of entertainment in the past 730 days. It also works havoc with ratings and the suspense value inherent in newscasting ("Tune in tomorrow to see if the world's still here.").

Approximately 70 years ago, after hearing some of his show songs performed in a cafe without his receiving any royalty, Victor Herbert helped found ASCAP to protect the performance rights of composers and lyricists in this country. What will protect the artist from what's to come? Well, one thing that can be copied, but never totally duplicated, will remain the live performance. Since the artist can only be at one place at a time, supply and demand may make the personal appearance his mainstay, just as it was in the time of the showboat and the chautauqua, when entertainment and the arts travelled to you: Mark Twain, on a worldwide speaking tour; Edwin Booth, playing Julius Caesar to the mining camps.

No matter how famous the performing artist, a recording or video will serve more as a flyer to announce the artist's existence and capabilities than as a source of income. The interpretive artist's income will derive, whether she or he appears locally or around the country, mainly from the live performance. At the Mt. Hood Jazz Festival, artists in one field, most of them national figures, pool their talents. The Portland Artquake and Salem Art Fair show how regional artists can collectively market their wares. Regrettably, these collective events are exceptions, occasional bright spots in most artists' careers. In most cases, unless the artist (let's say "writer") doubles as performer, or the performer as writer, economic success in the midst of these changes will be, as usual, elusive.

Perhaps the economic lot of the artist will improve when we realize how interconnected everything is; one thing the arts do is keep reminding us of this truth. The author's 11th grade chemistry teacher used to stand before the class in a lab smock often stained with tannic acid and recite a poem she'd encountered somewhere:

All things by immortal power
near and far

Hiddenly to seek each other
so linked are

That thou canst not stir a flower

Without the troubling of a star.

These lines are apt ones for people, whether they are scientists, artists, economists, or grass seed growers, to keep in mind. □

RESIDENT OREGON LABOR FORCE

	JUL.[1] 1988	JUN.[2] 1988	CHANGE	%CHANGE	JUL.[5] 1987
CIVILIAN LABOR FORCE[3]	1,431,000	1,454,400	-23,400	-1.6	1,399,700
UNEMPLOYMENT	79,200	84,600	-5,400	-6.4	76,300
PERCENT OF LABOR FORCE	5.5	5.8	XXX	XXX	5.5
SEASONALLY ADJUSTED PERCENT	5.9	6.3	XXX	XXX	5.8
TOTAL EMPLOYMENT[4]	1,351,800	1,369,800	-18,000	-1.3	1,323,400

[1]*Preliminary.*
[2]*Revised.*
[3]*Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*
[4]*Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*
[5]*Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	JUL.[1] 1988	JUN.[2] 1988	JUL. 1987	CHANGE FROM JUN. 1988	CHANGE FROM JUL. 1987
TOTAL[3]	1,134,600	1,147,900	1,096,500	-13,300	38,100
WAGE & SALARY EMPLOYMENT INDEX[4]	121.4	120.6	117.3	XXX	XXX
TOTAL MANUFACTURING	216,400	211,200	215,000	5,200	1,400
DURABLE GOODS	156,300	152,900	152,200	3,400	4,100
LUMBER & WOOD PRODUCTS	68,000	67,700	70,400	300	-2,400
LOGGING & SAWMILLS	34,400	34,300	36,400	100	-2,000
VENEER & PLYWOOD	16,700	16,700	18,000	0	-1,300
MILLWORK & STRUCTURAL WOOD	11,400	11,300	10,600	100	800
MOBILE HOMES	1,700	1,600	1,500	100	200
OTHER WOOD PRODUCTS	3,800	3,800	3,900	0	-100
FURNITURE AND FIXTURES	2,500	2,600	2,500	-100	0
STONE, CLAY, GLASS & CONCRETE	3,900	3,700	3,600	200	300
PRIMARY METALS	10,400	10,300	9,400	100	1,000
BLAST FURNACES, IRON & STEEL	6,100	6,000	5,600	100	500
NONFERROUS METALS	4,300	4,300	3,800	0	500
FABRICATED METALS	11,200	10,900	10,500	300	700
FABRICATED STRUCTURAL METALS	5,000	4,800	4,700	200	300
OTHER FABRICATED METALS	6,200	6,100	5,800	100	400
MACHINERY	16,200	15,900	15,500	300	700
ELECTRICAL EQUIPMENT & SUPPLIES	15,100	14,900	13,500	200	1,600
TRANSPORTATION EQUIPMENT	13,800	11,500	11,500	2,300	2,300
INSTRUMENTS & RELATED PRODUCTS	11,800	11,900	12,100	-100	-300
MISCELLANEOUS MANUFACTURING	3,400	3,500	3,200	-100	200
NONDURABLE GOODS	60,100	58,300	62,800	1,800	-2,700
FOOD & KINDRED PRODUCTS	25,400	23,400	29,500	2,000	-4,100
CANNING & PRESERVING	14,300	12,400	18,400	1,900	-4,100
OTHER FOOD PRODUCTS	11,100	11,000	11,100	100	0
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	2,900	2,900	2,500	0	400
PAPER & ALLIED PRODUCTS	9,100	9,300	9,400	-200	-300
PRINTING & PUBLISHING	13,400	13,500	12,600	-100	800
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,100	100	100
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	3,900	0	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	918,200	936,700	881,500	-18,500	36,700
MINING & QUARRYING	1,500	1,400	1,500	100	0
CONSTRUCTION	39,900	38,900	37,800	1,000	2,100
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,400	59,700	58,600	-300	800
TRANSPORTATION	37,700	38,100	37,000	-400	700
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,000	21,800	21,500	200	500
OTHER TRANSPORTATION	11,900	12,400	11,600	-500	300
COMMUNICATIONS	12,800	12,700	12,700	100	100
UTILITIES	8,900	8,900	8,900	0	0
TRADE	296,500	293,100	279,000	3,400	17,500
WHOLESALE TRADE	74,500	73,400	69,900	1,100	4,600
DURABLE GOODS	44,300	43,800	41,000	500	3,300
NONDURABLE GOODS	30,200	29,600	28,900	600	1,300
RETAIL TRADE	222,000	219,700	209,100	2,300	12,900
GENERAL MERCHANDISE	28,100	27,600	26,800	500	1,300
FOOD STORES	37,800	36,800	34,300	1,000	3,500
AUTO DEALERS & SERVICE STATIONS	27,700	27,300	26,900	400	800
OTHER RETAIL TRADE	128,400	128,000	121,100	400	7,300
FINANCE, INSURANCE, & REAL ESTATE	75,000	74,600	73,100	400	1,900
BANKING & CREDIT AGENCIES	24,500	24,300	23,800	200	700
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,500	50,300	49,300	200	1,200
SERVICES	254,500	253,000	243,600	1,500	10,900
HOTELS & PERSONAL SERVICES	28,100	27,700	27,300	400	800
HEALTH SERVICES	77,400	78,000	75,000	-600	2,400
OTHER SERVICES	149,000	147,300	141,300	1,700	7,700
GOVERNMENT	191,400	216,000	187,900	-24,600	3,500
FEDERAL GOVERNMENT	31,800	31,600	31,200	200	600
STATE GOVERNMENT	56,000	60,400	54,200	-4,400	1,800
EDUCATION	20,600	25,600	19,800	-5,000	800
OTHER STATE	35,400	34,800	34,400	600	1,000
LOCAL GOVERNMENT	103,600	124,000	102,500	-20,400	1,100
EDUCATION	56,300	77,500	56,300	-21,200	0
OTHER LOCAL	47,300	46,500	46,200	800	1,100
LABOR – MANAGEMENT DISPUTES	4,900	2,400	100	2,500	4,800

[1]*Preliminary.*
[2]*Revised.*
[3]*Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*
[4]*Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

AVERAGE EARNINGS UNAFFECTED BY STRIKES

David Cooke

Ongoing labor-management disputes in the Northwest have left thousands of lumber & wood products workers without their usual paychecks. Instead of earning a typical weekly wage of $430, each worker takes home $100 from union strike funds. How has this drop in earnings affected the hours and earnings statistical series?

In the June survey week, when employment statistics were reported, 2,300 lumber & wood products workers were on strike in Oregon. The majority (1,200) were in veneer & plywood. Looking at veneer & plywood, the average weekly earnings increased slightly from May ($414.57) to June ($426.53). Even though 7% of the employees in veneer & plywood were on strike, the average weekly earnings did not drop.

The reason for this is that striking workers are excluded from the Current Employment Statistics counts. During a strike fewer dollars are paid, fewer hours are worked, and fewer workers are counted as employed. Total earnings in the industry dropped, but average earnings per worker did not.

Strikes mainly affect the hours and earnings statistics by altering the proportion of workers in one industry compared to another. Specifically, 2,300 fewer workers were employed in lumber & wood products in June, giving this industry a smaller proportion of total manufacturing employment. Consequently, average hours and earnings in manufacturing were weighted less by lumber & wood products and more by other manufacturing industries not affected by strikes.

In June, since average weekly earnings for lumber & wood products ($428.97) was quite close to the manufacturing average ($420.12), the reduced proportion of lumber & wood products workers had little impact on average weekly earnings . □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June[2] 1988	May[3] 1988	June 1987	June[2] 1988	May[3] 1988	June 1987	June[2] 1988	May[3] 1988	June 1987
TOTAL MANUFACTURING[4]	$420.12	$414.95	$416.20	39.3	38.6	39.6	$10.69	$10.75	$10.51
Durable Goods	429.44	421.98	424.51	39.8	39.0	40.2	10.79	10.82	10.56
Lumber & Wood Products	428.97	416.57	430.66	39.5	38.5	40.4	10.86	10.82	10.66
Logging & Sawmills	459.42	443.05	461.62	39.0	37.9	40.6	11.78	11.69	11.37
Veneer & Plywood	426.53	414.57	412.57	39.9	39.0	39.9	10.69	10.63	10.34
Millwork & Structural	367.28	350.95	371.18	40.9	39.3	40.7	8.98	8.93	9.12
Mobile Homes	335.05	333.06	322.71	38.6	39.0	37.7	8.68	8.54	8.56
Other Wood Products	389.78	402.87	423.46	38.9	39.0	40.6	10.02	10.33	10.43
Furniture & Fixtures	305.87	335.43	359.25	35.9	38.6	37.5	8.52	8.69	9.58
Primary Metals	513.28	506.20	503.58	41.9	41.8	42.0	12.25	12.11	11.99
Fabricated Metals	393.16	383.30	371.62	40.2	38.6	39.2	9.78	9.93	9.48
Machinery (Ex Electrical)	440.67	440.22	442.90	39.7	39.2	40.3	11.10	11.23	10.99
Nondurable Goods	393.78	391.65	393.68	37.9	37.3	38.0	10.39	10.50	10.36
Food & Kindred Products	320.78	321.71	323.19	37.3	36.6	37.8	8.60	8.79	8.55
Canning & Preserving	261.32	259.39	275.28	36.6	35.1	37.2	7.14	7.39	7.40
Other Food Products	398.15	396.29	404.42	38.1	38.4	38.7	10.45	10.32	10.45
Textile Mill Products	242.45	240.08	236.74	34.1	35.1	35.6	7.11	6.84	6.65
Apparel	228.51	228.60	226.56	36.1	36.0	38.4	6.33	6.35	5.90
Paper & Allied Products	634.03	619.15	628.89	42.1	40.6	40.6	15.06	15.25	15.49
Printing & Publishing	406.46	421.70	419.58	35.1	35.2	35.2	11.58	11.98	11.92
Construction[4]	536.69	504.77	489.24	37.4	35.2	36.0	14.35	14.34	13.59
Communications & Utilities[5]	530.13	546.19	538.24	41.0	40.7	40.9	12.93	13.42	13.16
Trade[5]	305.36	299.00	291.56	34.7	33.9	34.1	8.80	8.82	8.55
Wholesale Trade	402.72	400.00	394.63	38.1	37.7	37.3	10.57	10.61	10.58
Retail Trade	255.09	244.86	242.54	33.0	31.8	32.6	7.73	7.70	7.44
Banking & Insurance[5]	333.61	328.70	308.30	37.4	36.2	37.1	8.92	9.08	8.31
State & Local Government	364.49	363.28	351.20						

[1]Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
[2]Preliminary
[3]Revised
[4]Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
[5]Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

GETTING READY FOR THE NEW JOBS

David Allen

Oregon's economy is expected to create over 38,000 new jobs in 1988. That's a lot of jobs in a new economy that is adjusting to world competition, international labor markets, de-regulation, and major technological changes in the work place. As these career choices expand, why is it often so hard to find a good-paying job? Or to ask the question from the employer point of view, why is it so hard to find qualified job applicants?

Basically, the answers to these questions involve both economic and population changes that are affecting all of our work lives. Put simply, while the new economy is demanding workers with more job skills, the number of new job seekers with these skills is shrinking. This mismatch is creating a climate of confusion and a search for answers. How can we get ready for this new economy? Is there an answer that would ensure economic and labor market success for all of us concerned with adjusting to this new economy?

One answer seems to be an old answer, more education for all! However, this simple answer is not as easy or as straightforward a solution as it would seem. In this article, some of the data linking education to the economy and employment success will be reviewed. In addition, some of the problems this solution poses for our society will be discussed.

EDUCATION LEVELS OF THE U.S. WORK FORCE, 1967-87 (in percent, age 25-64)

	LABOR FORCE SHARE IN:		
Education Level	1967	1979	1987
Less than 4 Years of High School	41.1	21.9	14.9
4 Years of High School	35.2	39.6	40.2
1 to 3 Years of College	10.6	17.3	19.7
4 Years of College or more	13.2	21.3	25.3
Total (ages 25-64)	100.0	100.0	100.0

NOTE: Percentages calculated for March of years indicated.
SOURCE: Monthly Labor Review, Vol. III, No. 1, January 1988,p.4

U.S. WORKERS BECOMING MORE EDUCATED

The educational level of the U.S. work force has been climbing sharply since 1967. In 1967, 41 percent of the adult labor force age 25-64 had less than four years of high school. By 1987, that percentage had dropped to about 15 percent. Over this same period, high school, community college, and college educational levels all increased in the work force. Indeed, by 1987, 25 percent of adult workers had completed four or more years of college, versus only 13 percent in 1967.

COLLEGE GRADS ARE IN WORK FORCE

College graduates have the highest levels of labor force participation of any group of workers regardless of race or sex. Overall, 88 percent of all college graduates are in the labor force. College-educated women, for example, have a labor force participation rate of 80.3 percent and now represent 40 percent of all college-educated workers.

U.S. OCCUPATIONAL/EDUCATIONAL DISTRIBUTION 1987

OCCUPATION	% LESS THAN HIGH SCHOOL	% 1 to 3 YEARS OF COLLEGE	% 4 OR MORE YEARS OF COLLEGE
Managers	4.6	23.1	47.0
Professional	.8	14.1	76.4
Technical	2.9	34.3	33.2
Sales	7.9	24.1	27.0
Clerical	5.3	27.8	12.6
Service	25.8	18.0	7.4
Production	22.0	18.2	6.3
Operatives & Laborers	32.8	12.3	3.9
Farm, Forestry & Fishing	34.3	13.1	8.3

SOURCE: Bureau of Labor Statistics, Education and Labor Mark Success, September 28, 1987

COLLEGE MAKES THE OCCUPATIONAL DIFFERENCE

Educational differences in the work force are reflected in the occupational distribution of the U.S. economy. College graduates are heavily concentrated in managerial and professional specialty occupations while persons with less than a high school education are almost all concentrated in non-professional service, production, and laboring occupations. This relationship between education and occupational distribution is an important one since the occupational skill mix of the economy is shifting towards the professional/technical occupations. The actual number of job opportunities for persons of limited education is being reduced. For example, between 1972 and 1987, occupations with comparatively high proportions of workers with four or more years of college grew, while those with low ratios of college graduates declined.

THE OCCUPATIONS OF THE FUTURE 1984-2000 WILL REQUIRE MORE EDUCATION

	CURRENT JOBS	NEW JOBS
TOTAL	100%	100%
8 Years or less	6%	4%
1-3 Years of High School	12%	10%
4 Years of High School	40%	35%
1-3 Years of College	20%	22%
4 Years of College	22%	30%
Median Years of School	12.8 yrs.	13.5 yrs.

SOURCE: WorkForce 2000 (a publication name), Hudson Institute, 1987, p. 98.

These data also show that occupational mobility of workers lacking at least some college training is likely to be very limited. The future will most certainly continue these trends. Approximately 52 percent of all new jobs created by the year 2000 will require training beyond high school.

EDUCATION VITAL FOR PROMOTION

A 30 year study of management success (Management Progress Study, Journal of Applied Psychology 1987) found that a college degree was also vital for promotion. The study began in 1956 with employees of American Telephone & Telegraph. The purpose of the study was to explore the relationship between education and job performance and promotion. In a nutshell, a college degree had a strong impact on whether the subjects were promoted into managerial jobs. Humanities and social science majors did much better going up the career ladder than did engineers, math, and science majors. The ability of the humanities and social science majors to adapt and be flexible seemed to be key reasons for their success.

However, technical majors often are in more demand and earn higher starting salaries than do humanities and social science majors. The message seems clear. Since both technical and liberal arts skills are required, students should get the most well-rounded educational experience they can.

EDUCATION PAYS

The value of education can also be looked at in terms of income. Does it pay to graduate from college? The graph showing the ratio of income of college graduates to income of high school graduates from 1970 to 1985 provides insight into this question. Although college graduates consistently made more money between 1970 and 1979 than did their high school counterparts, the ratio of college to high school income actually dropped during the 70's. College graduates lost relative economic ground during this period as the supply of college graduates increased, and the demand was soft. In fact, during the 70's there was talk of the U.S. having an over-educated work force. The unemployment rate for college graduates went up, and many had to take jobs that did not require advanced training.

As the graph shows, the 1980-1982 recession abruptly turned the economic

tide. Employers facing increasing competition had to cut labor costs by reducing the pay for production and laboring jobs and by automating the workplace. They also needed a more educated work force in order to take advantage of new technologies. Consequently, by 1985, college graduates again earned an average of 38 percent more than high school graduates!

MORE EDUCATION MEANS LESS UNEMPLOYMENT

The unemployment rate for high school and college graduates over time also indicates the value of education. As the 1967 to 1986 graph shows, the gap in unemployment between high school and college-trained workers has grown with each recession. High school graduates experienced a much larger increase in their rate of unemployment during recessions and only a slightly larger unemployment rate decrease during recovery periods. Overall, the picture clearly points to labor market success being dependent upon the educational attainment of workers.

With all the above data pointing to education as the key to success in the new economy, what problems does this pose for our society? While any complete answer to this question would require several volumes of careful analysis, a number of points related to labor market issues stand out and deserve mentioning here.

EDUCATIONAL DIFFERENCES BREED INEQUALITY

In 1985, the U.S. spent eight percent of the Gross National Product on education, 13 percent if corporate training costs are included. In dollar figures, this is somewhere between $300-500 billion with the corporate share being estimated anywhere between $30-200 billion. The figures are large, but not precise! For all the money spent, it is difficult, some say impossible, to measure in any precise way the quality of output. In addition, large groups of people fall through the cracks in the educational system. In this context, there are some serious concerns being raised about the future quality of the labor force. For example:

- There is approximately a 25 to 30 percent dropout rate from high school. A variety of studies also point out that there are serious basic skill deficiencies of many of those who graduate. Employers are complaining that entry level workers can't read or solve simple math problems.

Education is the key to labor market success.

- Retraining of the work force to meet increasing world competition is an increasingly important topic to employers and workers alike. However, traditional approaches to retraining may reinforce rather than lessen inequality. Short-term training programs often provide a quick job but do little to solve basic education deficiencies. And technical training, even long-term, may become quickly outdated leaving students again unemployed. It should also be noted that people with good educations and high incomes represent the majority of all those engaged in adult education and training. For example, in 1984 one-third of all people with more than five years of college participated in adult education, as opposed to only two percent of people with less than nine years of schooling. Studies also indicate that businesses often spend training dollars on employees already well-trained. The productivity payoff, at least short-term, seems to favor retraining the already educated employee.

- The number of illiterate Americans is estimated at between 20 and 60 million, and workplace literacy problems are rapidly becoming a labor crisis. In addition, thousands of older workers displaced by new technology now lack the required basic literacy and mathematical skills to find new jobs.

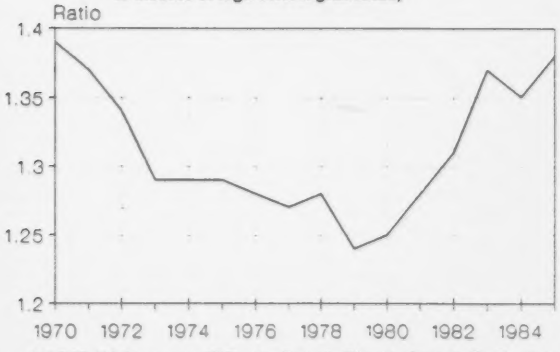
- Inequality in educational levels may lead increasingly to inequality in incomes between major segments of our society. Most of the new job seekers entering the work force during the next two decades will be women, minorities, and other groups that have often been poorly served by the educational system. As has been well documented, most of the new jobs will require more than a high school education. The potential unemployment, economic, and social problems stemming from this mismatch are obvious.

WE MUST GET READY

Education is the key to labor market success and to our ability to stay competitive in a world economy. Those with more education have greater employment opportunities, make more money, advance further up the career ladder, suffer the least unemployment, and have greater access to even more education. For a variety of reasons, not all of us share equally in the successes education can offer. To make the promise of education a full partner in the new economy and worklife will require considerable effort from all of us. It's time to start. We must all get ready for the new and changing world of work! □

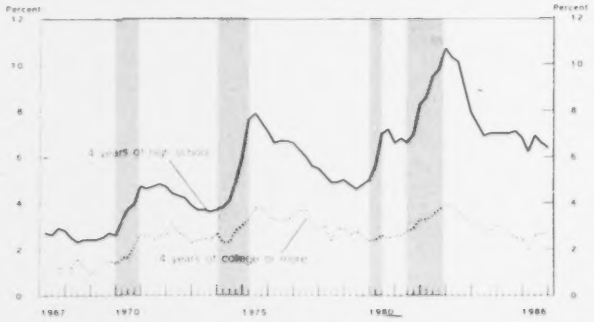
Does it Pay To Graduate From College?

(ratio of income of college graduates to income of high school graduates)



SOURCE: U.S. Department of Education, Center for Education Statistics, *The Condition of Education* (Washington, DC: U.S. Government Printing Office, 1986), table 2:3

Unemployment rates for high school and college graduates, 1967-1986, seasonally adjusted



NOTE: Shaded areas indicate recessions, as designated by the National Bureau of Economic Research.

SOURCE: **Monthly Labor Review**, Vol. III, No. 1, January 1988

EMPLOYERS' CORNER-PREPARING FOR THE FUTURE:

Dorothy Monnier

The relationship between the Mid-Willamette Jobs Council, the Salem Local Employment Division office, and the Salem Job Service Employers' Committee (JSEC) is more than a partnership.

It is the epitome of what can occur when business and government work together in developing new ways of conducting business.

Three years ago, at the request of the Salem JSEC, Bob Bill, Director of the Mid-Willamette Jobs Council, and Neil Puckett, Manager of the Salem Local Employment Division office, were concerned about the number of youth who did not meet the low income requirements for subsidized summer youth employment, but who were still in need of summer jobs.

Two weeks later, the Community Youth Employment (CYE) Program was born and in operation. Local school districts, businesses and elected officials were brought into the project. These folks donated goods, services, and support for the newly-created program. The Mid-Willamette Jobs Council donated the services of Gin Denison, Jobs Council Marketer, and the Employment Division donated one staff person full-time to operate the project. Youth counselors were hired through the Jobs Council Summer Youth Employment Program and the Employment Division provided the training and supervision.

In its first year of operation, over 1,400 youth were placed in summer jobs in the Salem-Keizer area. Last year, the project branched out into North Marion, Polk, and Yamhill counties. Approximately 2,600 youth found summer work. As of this writing, about 900 youth have been placed this year. The State Fair hiring push is on which means another 1,500 jobs to be filled. The concern of both agencies is that there may not be enough youth to fill all of the available job orders.

The Jobs Council and the Salem Employment Division Local Office both received national recognition at the National Association of Counties (NACO) Conference in 1987 for demonstrating the meaning of a true partnership.

The Community Youth Employment Project is a prime example of what can happen when you get business and government working together. □

JSEC SEMINARS

DISCHARGE WITHOUT DISCRIMINATION
Elks Lodge, Klamath Falls
Sept. 13th . . . 8:00 AM to 1:30 PM
Call Roger Rutlede or
Hilliard Blanchard, phone 883-5643

ENERGIZING YOUR WORKFORCE
Elks B.P.O.E. Lodge, Hillsboro
Sept. 15th . . . 7:30 AM to 12:00 PM
Call Lee Jones, phone 681-0210

ENERGIZING YOUR WORKFORCE
Holiday Inn, Wilsonville
Sept. 20th . . . 7:15 AM to 11:30 PM
Call Cathie Moravec, phone 657-2078
or Larry Liebe, phone 657-2074

LMI DIRECTORY NOW AVAILABLE

Where can you find the average wage of an occupation in Oregon? What publications provide an economic analysis of 14 Oregon regions? Who is the Employment Division's regional economist in your area? The updated Labor Market Information (LMI) Directory answers these questions and more.

The LMI Directory covers available LMI services, descriptions of publications, whom to call for information, regional economists, Employment Division offices, selected Economic Development Department publications and other published sources of related information.

Request your copy of the LMI Directory, at no charge, by calling Research and Statistics at 378-8657 or by writing to:

OR EMPLOYMENT DIVISION
Research and Statistics - Rm 207
875 Union Street N.E.
Salem, Or. 97311
PH. (503) 378-8657

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

Material contained in this publication is in the public domain and may be reproduced without special permission. Please credit **OREGON LABOR TRENDS,** Oregon Employment Division.

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE $300

U.S.MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449

90005038-01
CONGRESSIONAL INFORMATION SVC DEPT
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814